GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4955
ANSWERED ON:19.04.2001
INVESTMENT BY PSUS IN PIPELINE AND REFINERIES
UMMAREDDY VENKATESWARLU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the public sector oil companies are investing in the pipeline and refineries without any assessment to demand and supply situation;

(b) if so, whether there is any central planning body which ensures the activities of the public sector oil companies;

(c) whether the public sector oil companies are attracted in large capital investment rather than improving their existing facilities and marketing set up;

(d) if so, the reasons therefor;

(e) whether the Government propose to monitor their seeming profligate investment tendencies; and

(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) No, Sir.

(b)to(f): Investments in projects are made by the public sector oil companies on the basis of Detailed Feasibility Studies with the help of reputed consultants which include among others assessment of future supply demand scenario of petroleum products.

Refinery sector is delicensed and refineries are outside the administered pricing mechanism. Navaratna oil PSUs take their investment decisions for investments on refining capacity addition and the views of the Government are conveyed by the part time Government directors of the board. The refinery projects of the non-navaratna companies have been approved by the Government.